

Addendum to Journal - Office of Legislative Counsel
Monday - 26 April 1976

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✓ 6. (Unclassified - WPB) LEGISLATION Called Bill Morris, Tax Counsel, Senate Finance Committee, concerning the Tax Reform Act pending before that Committee. I discussed with him the Agency's potential problems with the private letter ruling disclosure section. He thought the staff would be able to handle this difficulty and encouraged me to stop by within the next week with some suggested language.

[Redacted Signature Box]

STAT

GEORGE L. CARY
Legislative Counsel

cc:
O/DCI
O/DDCI

STAT

[Redacted Box]

Ex. Sec.
DDA DDI DDS&T

STAT

[Redacted Box]

Mr. Thuermer
Mr. Parmenter
IC Staff
EA/DDO
Compt

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Approved For Release 2006/02/07 : CIA-RDP77M00144R001100210019-0

ROUTING AND RECORD SHEET

04C761230

SUBJECT: (Optional)

Tax Reform Act Fact Sheet

FROM:

OGC 7D07 HQS

EXTENSION

NO.

DATE 23 April 1976

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

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OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. OLC
7D35 HQS
Attn: [redacted]

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Attached is the suggested draft fact sheet which we discussed on 22 April 1976. As we agreed earlier, the draft reflects a general statement of the problems with respect to unclassified information relating to intelligence sources and methods, rather than a listing of specific examples.

Office of General Counsel

Approved For Release 2006/02/07 : CIA-RDP77M00144R001100210019-0

FORM 3-62

610

USE PREVIOUS EDITIONS

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(Addressee)

Section 6110(a) of the Tax Reform Act provides that any written determinations for tax ruling shall be open to public inspection in accordance with regulations issued by the Secretary of the Treasury. Subsection (c) of that section provides for the deletion from any written determination open to the public information concerning:

- A. commercial or financial information;
- B. information which would constitute an invasion of privacy;
- C. information specifically exempt from disclosure under a Federal statute applicable to the IRS;
- D. information authorized to be kept secret under criteria established by executive order in the interest of national defense or foreign policy and which has been properly classified pursuant to such executive order; and
- E. information contained in or related to the regulation of financial institutions.

This Agency is particularly interested in the provision permitting the deletion of the information which, if disclosed, could prove harmful to the national defense or foreign policy of the United States.

We are concerned, however, that the provision as drafted is too narrow and would not allow for the protection of all information relating to

intelligence sources and methods. The Central Intelligence Agency, though not a consistent requisitor of IRS services, has, on a number of occasions, requested written rulings on matters where existing law provides little guidance. These requests involved information relating to intelligence sources and methods, that is, the tax requirements of certain agents or activities. To the extent such information is not classifiable under the current executive order, it would be subject to possible disclosure under the Bill as presently drafted. Though these situations occur only occasionally (because most information relating to intelligence sources and methods is classifiable), we feel a minor modification in subsection (D) would remedy this problem. The addition of the words "pursuant to statute" in section 6110(c)(D) would accomplish this purpose by recognizing the DCI's statutory responsibility in the CIA Act of 1949, as amended, to protect information relating to intelligence sources and methods from disclosure.

A suggested draft incorporating this language is attached.

(Signature)